# Department of Accounts Payroll Bulletin

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The Payroll Bulletin is published periodically to provide CIPPS agencies guidance regarding Commonwealth payroll operations. If you have any questions about the bulletin, please call Cathy McGill at (804) 371-7800 or Email at cathy.mcgill@doa.virginia.gov

#### State Payroll Operations

Director Lora L. George
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#### **FY 05 Payroll Expenditures**

FYE 05 Payroll Expenditures

Whenever possible, all payrolls certified 6/21 or later should be certified with a *July* checkdate. All payrolls calculated 6/21 or later with a *June check date* will be reclassified by DOA from FY 06 back to FY 05 before the FY 05 CARS close.

#### **FBMC** Report Retrieval via the Web

# FBMC Change Listings

This past April FBMC faxed a username and password to all agency primary contacts for use in accessing the change reports via the FBMC website. Should you have any questions regarding establishing additional users, please contact Mickie Manley by phone at 1-800-533-2738 X2258 or by email at <a href="mailto:acctspec-271-post@fbmc-benefits.com">acctspec-271-post@fbmc-benefits.com</a>. Change reports are no longer faxed to the agencies but must be retrieved via the web. To register your password and access your reports, you should go to:

#### www.fbmc-benefits.com/admin/

Detailed instructions are provided through the <u>Help</u> link on the left. Once an account has been "registered" and upon future logins, a list of reports will be available in the agency's "Inbox". Click on <u>Read</u> to access any of the reports available. If a report is available, a message detail screen with a "download" link will be visible. Clicking on <u>Download</u> will allow the report to be viewed and/or saved. Reports will remain on the web for two months after they are posted.

#### **Workers' Compensation Payments and Retirement Contributions**

Workers'
Compensation
Payments and
Retirement
Contributions

When an employee is paid in part by Workers' Compensation and in part through payroll, the employer must continue to make retirement contributions. Contributions are paid based on the full creditable compensation prior to the employee receiving Workers' Compensation payments.

When an employee is paid in whole by Workers' Compensation and the employer is without control over deductions, report the employee to VRS as being on leave without pay (LWOP). No retirement contributions are paid, and no VRS service or salary credit is earned.

http://www.varetire.org/Employers/Update/2005/Jan/Ten.html

## **Administrative Wage Garnishments (AWG)**

Administrative Wage Garnishments (AWG)

The Social Security Administration has begun to issue administrative Wage Garnishments (AWG) in an effort to collect program overpayment debts that arise under Titles II and XVI of the Social Security Act (the Act) and administrative debts owed to the SSA. This type of garnishment is used to collect delinquent non-tax debts and may be issued without first obtaining a court order. An AWG may order you to withhold up to 15% of an employee's disposable wages each payday. For AWGs, "disposable pay" means the employee's compensation (including, but not limited to, salary, overtime, bonuses, sick leave and vacation pay) after Health insurance premiums and any amounts required by law to be withheld are deducted. Retirement plan contributions, union dues or amounts withheld under a court order cannot be deducted in determining "disposable pay". Proper deductions include federal, state and local taxes and Social Security taxes. Additional information regarding the SSA's use of Administrative Wage Garnishments and proper processing may be found at the following website:

www.ssa.gov/regulations/articles/rin0960 ae92f.htm

Answers to other questions frequently asked about Social Security may be found:

http://ssa-custhelp.ssa.gov/cgi-bin/ssa.cfg/php/enduser/std\_alp.php?p\_cat\_lvl1=108

## IRS – Employee's Withholding Allowance Certificates

IRS changes requirement for submission of W-4s Effective April 14, 2005 employers are no longer required to submit copies of W-4s to the IRS for employees who claim more than 10 exemptions or for employees who claim complete exemption from withholding for the taxable year if the employer expects that the employee's wages will usually be \$200 or more per week.

#### IRS – 2005 Amount Exempt from Levy

IRS Releases Publication 1494 for 2005

The Internal Revenue Service has released Publication 1494, Table for Figuring Amount Exempt from Levy on Wages, Salary, and Other Income, for 2005 (Notice 2004-81). The tables in this publication show the amount of an individual's income that is exempt from a notice of levy used to collect delinquent tax. For example, a single taxpayer who is paid semi-monthly and claims two exemptions (including one for the taxpayer) has \$475.00 exempt from levy.

http://www.irs.gov/pub/irs-pdf/p1494.pdf

#### **Amount Protected from Garnishment**

Virginia change effective 7/1/05

Effective July 1, 2005 the calculation to determine the amount of earnings exempt from garnishment increases to the lesser of:

- ★ 25% of disposable wages, **or**
- ★ The amount by which disposable pay exceeds 40 times (increased from 30) the federal minimum wage (currently \$5.15/hr) times 2.16665 (for semi-monthly payroll).

Example: \$5.15 times 40 times 2.166665 = \$446.33; this is the protected amount in a semi-monthly pay period.

Additional information on calculation of garnishments may be found at:

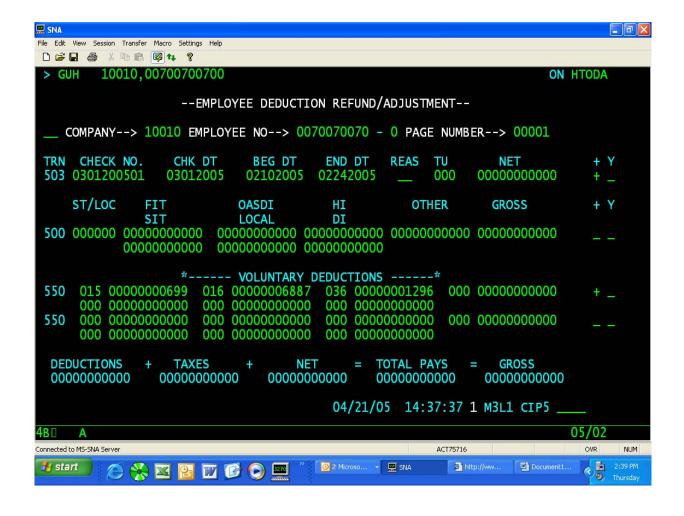
http://www.doli.state.va.us/whatwedo/labor law/garnsupp wholddebts.html

#### **Automated Retirement Adjustments**

Electronic
Error
Adjustments
to Retirement

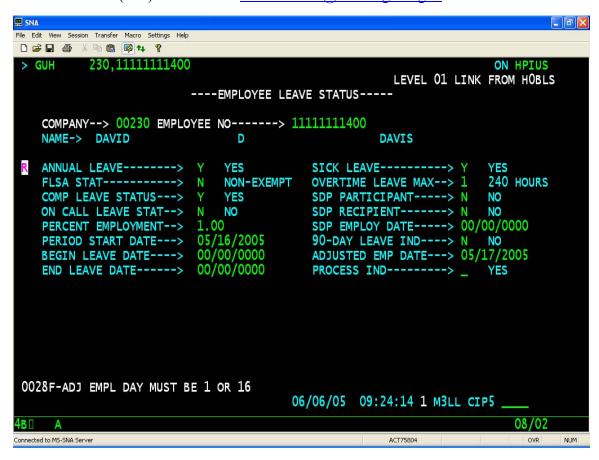
**PBP**: Adjustments to retirement-related accounts administered by VRS may be made electronically through the Commonwealth Integrated Payroll and Personnel System (CIPPS), eliminating the need for completion of Form 1501, Error Adjustment Report, as long as processing months are not overlapped.

The adjustment is made using the HTODA screen in CIPPS. Information relayed to VRS from this screen includes Check Date, (pay period) End Date, Employee Number, Deduction Number and Amount. Posting month and year is determined by VRS based on the date used in the "End Date" field. The amount to be reported for each month/calendar year must be entered as a **separate** manual adjustment. VRS will post the adjustment shown in the example below to the month of February, 2005. Remember that negative adjustments can only be made if there is enough money accumulated YTD in that deduction to cover the amount of the adjustment.



#### **CIPPS Leave - HPIUS Adjusted Employment Date**

HPIUS Adjusted Employmen t Date The Adjusted Employment Date reflects the employee's length of service and controls the amount of annual leave accrual and the maximum annual leave balance carried forward into the new leave year. **This field is required for the employee to accrue annual leave**. The date used for the Adjusted Employment Date on HPIUS must contain either a "01" or "16" as the day. Entry of any other value will result in a *fatal* error. This edit will be invoked when changing **any** information on HPIUS. If no date is entered, an error message will print on the period end reports. Additional information may be found on page 15 of CAPP Topic 40105, <u>CIPPS Leave System Overview</u>, and page 7 of CAPP Topic 40205, <u>Employee Leave Profile Data</u>. DOA previously distributed listings of employees with invalid employment dates. Additional questions should be directed to Ervin Farmer at (804) 225-3120 or <u>Ervin.farmer@doa.virginia.gov</u>



Use the following schedule to determine the correct entry:

Pay Period	Hire Date	Adjusted Employment Date
25 <sup>th</sup> – 9th	25th	1 <sup>st</sup>
23 – 9tii	$26^{th}-9^{th}$	16 <sup>th</sup>
$10^{th}-24th$	10 <sup>th</sup>	16 <sup>th</sup>
	11 <sup>th</sup> – 24th	$1^{st}$